

STATEMENT ON PROGRAMME BY THE PRESIDENT
TO THE BOARD OF GOVERNORS OF THE
INTERNATIONAL DEVELOPMENT RESEARCH CENTRE

1st March 1971

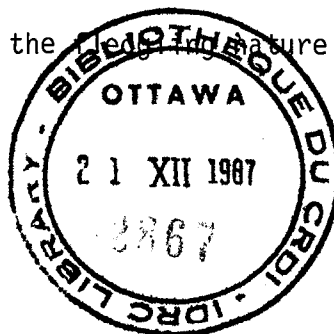
1. The central theme of this meeting will be the shape, substance and philosophy underlying the Centre's programme activity for the fiscal year 1971-72 and, beyond. This year necessarily establishes a foundation for a significantly longer term.

2. The agenda allots roughly a day to discussion of various facets of programme development. This short statement seeks only to introduce this discussion.

Budget

3. The budget proposed for the Centre's financial year 1971-72 asks for authorization to commit the Centre to \$7.127 million in present and future expenditures. The Centre's management estimates that of this commitment authority, not more than roughly \$4 million will mature during 1971-72 as cash outlays; an amount below the year's \$4.25 million estimated cash income.

4. Of the \$7.127 million authorization recommended, \$2.0 million (28%) comprises an unallocated contingency for all operations, a contingency that is proportionately much larger than anticipated in future budget submissions. Similarly, the proportion of budget devoted to staff costs and management of the Centre's general administration (\$1.214 million or 17%) and to the staffing and managing of programme activities and operations (\$1.156 million or 16%) reflects the flexible nature of our endeavour.



5. The budget asks also for \$610,000 for project identification and preparation. This amount will be used at the discretion of the Programme Directors to finance workshops, seminars, consultancies, travel grants to individuals, preparatory meetings, special investigations and other activities to identify and prepare relevant and comprehensive project proposals.

6. In all, close to \$3.0 million has been budgeted for management and programme development. This amount will be used by the Centre administration to expand our present staff capacity in anticipation of larger future operations; to decentralize some of our programme activities by placing professional programme personnel at locations outside Ottawa; and to make the investment which will permit the staff to take the initiative in an effort to build the interlocking projects which are the necessary basis for a mature Centre programme linking research efforts throughout the world.

7. These three objectives were set forth in detail in my statement to the Executive Committee at its meeting last month (see paragraphs 8 - 21 of that statement). They were given the endorsement of the Committee, and the management has undertaken steps to implement them, steps that will be pursued with greater vigor after approval.

8. For the programme discussion and especially the project review that follows, it will be useful if we examine:

- 1) the treatment to be given by the Centre staff to unsolicited communications and submissions seeking Centre support, and

2) the criteria the Centre staff will use in assessing project proposals, whether unsolicited, solicited or prepared by the Centre's staff.

Submissions Received by the Centre

9. At the present time the Centre is receiving a small but growing volume of mail offering ideas and suggestions on what should be undertaken, or enquiring about, or directly soliciting Centre support for various research, developmental, charitable and institutional activities. Some are merely lengthy letters, perhaps with supporting attachments of articles or general publicity releases whereas others are elaborately-prepared submissions with details of the who, what, where, when, why, how and how much, carefully and often fully specified. The Centre staff welcomes these enquiries and has found many of them merit follow-up.

Detailed Proposals

10. As a matter of administrative policy, all mail relating to Centre activity is recorded, and brought to the attention of the appropriate Programme Director for whatever action appears warranted. At the present time, all enquiries containing detailed or 'hard' project proposals are discussed by the senior management and unless otherwise recommended, will be transmitted to this Board with the management's advice. Unless time is a factor which demands an early response, the Centre's management will send a final reply to an applicant only after Board action. Should considerations of urgency force the Centre's management to respond prior to Board action, the response will indicate only the nature of the management's recommendation to the Board, leaving the Board free to take action if it wishes.

11. It is anticipated that the majority of the unsolicited hard project submissions received by the Centre will be from Canadian or developing country research workers or institutions and are likely to be pertinent to Centre programme activities. Such submissions will continue to be handled in the manner outlined in the previous paragraph. There are, however, three categories of project proposals received at the Centre which the senior Officers believe merit your consideration. The first category are proposals which fall clearly outside any current Centre interest. The second category are proposals submitted by U.N. and other international agencies and whose subject matter is pertinent to Centre concerns. The third category are proposals received from institutions in developed countries other than Canada which also fall within the boundary of Centre activities.

12. An example of the first category of requested support for an activity outside the present framework of Centre programmes is a detailed proposal seeking assistance for a world information system on handicapped people. Another, asks the Centre to assist in the propagation of Esperanto. A third, seeks general support of an agricultural economics programme at an Asian university. A fourth, requests assistance for basic oceanographic survey work. Many other examples could be cited. Our staff can process this class of request and transmit them to you in the normal course of management action, but this course does involve a significant administrative burden. Therefore, the Programme Officers recommend that when unsolicited proposals clearly fall outside the operational guidelines established for the Centre by this Board, they be empowered to reject such requests without waiting for Board scrutiny and action. As a matter of course, the Board would be informed of the details of all such actions at its regular meetings.

13. The second category of proposals are those coming from the U.N. and other international agencies and which are relevant to the Centre's programme activities. We have before us now a request from UNESCO to support their work in applying a new system of planning technological development in their member developing countries. It is the view of our senior Officers that the Centre should not, as a matter of principle, support requests from U.N. or other international agencies already being assisted by Canadian government contributions unless the proposed project has an immediate significance to other Centre endeavours. If the Board concurs in this recommendation, requests of this type will be rejected without further Board action except for the normal ex-post notification. This recommendation should not be construed as implying Centre disinterest in working with U.N. or other international agencies. It is expected that many Centre projects will be undertaken in close co-operation with international organizations, but most of these will be tailored to Centre purposes by the co-operative preparatory efforts of our staff and agency personnel.

14. The third category are those submissions from institutions in developed countries other than Canada that fall clearly within the operational guidelines for Centre activities. In December 1970, the Trustees of the Brookings Institution gave preliminary approval for its staff to initiate research and seek co-operative financing for a series of studies on the impact of technological change on the institutional mechanisms of international relations. Brookings has approached the Centre as a potential source of co-operative support for these studies. The work they wish to undertake is exciting and will have substantial implications for development strategies and tactics. In reviewing the

the Brookings request, however, the Centre's management came to the conclusion that as a general rule the priority use of our resources should be to support activities that are related directly to the development problems and the strengthening of research workers and organizations in developing countries. The implication of this conclusion is clear; if Brookings requires additional assistance to complete a study its staff has designed and will undertake, such assistance should be sought from sources other than the IDRC. An example of how this principle of priority can be made effective is the handling of a proposal from the Adlai Stevenson Institute seeking matching grant support for the establishment of a secretariat to maintain the impetus of a regional Pugwash-type movement among African scientists resulting from an Institute-sponsored conference last year. It was suggested to the Institute that it would be preferable if the application for Centre assistance originated from the group of African scientists concerned. This is being followed-up by the Institute. If the Board concurs with the view of our Officers that Centre resources should be channelled primarily to developing countries either directly or through partnership arrangements among developing and developed country institutions, the Officers of the Centre will respond to this class of proposal without awaiting formal Board action but with subsequent notification.

Inquirendos and Ideas

15. Enquiries that are not complete in their presentation but which are obviously serious proposals asking assistance will be handled in the same manner as fuller submissions. However, enquiries or ideas that have about them the air of a 'fishing expedition' or are exercises

in wishful thinking and which are not found particularly meritorious by the appropriate Programme Director, are and will be responded to in a way that strives to close further communication on the matter -- not an easy task in many instances. Enquiries of this type are not passed through the process used for the harder submissions. I might add that in all instances the Centre's central registry system permits the retrieval of the original communication, the subsequent correspondence and administrative action.

Project Assessment

16. In assessing an unsolicited project proposal the Programme Directors give first emphasis to the subject matter content, evaluating its relevance to the major concerns of the Centre and its complementarity to other Centre or international endeavours. Where it appears profitable and useful, and where the research applicant is found to be capable, the Programme Directors have, and are assisting in the reshaping of a proposal so that it meshes more readily with Centre activities. To date, almost the entire Centre dialogue with outside applicants has related to the restructuring of research proposals to provide a closer conformation to the programme philosophies of this Board. In this respect our approach to grant applicants differs from that traditionally taken by the several Canadian granting councils which usually give first consideration to the research capacities of the applicant leaving subject content to hold second attention. The Centre's senior Officers believe that our focus must reverse this order of examination and judgment. They believe also that budgeted funds should be used to enable them to encourage worthy applicants from developing as well as from more advanced countries to build projects that closely reflect Centre purposes and mesh readily with other Centre activities.

Criteria

17. Paragraph 25 of my statement to the Executive Committee listed a set of criteria formulated by our senior Officers to assess project proposals. The Officers believe that these criteria have a general applicability and are valid for assessing projects whether submitted to the Centre from outside sources or prepared by our own staff. The criteria were introduced with the following caveat: "In reviewing the project proposals the Officers of the Centre were guided by several criteria which, while not applied with absolutism, were often critical in deciding the fate of a particular proposal. It is expected that these or similar criteria will be used to assess future project proposals received by the Centre, and will serve as guides to the formulation of proposals prepared by the Centre's programme staff. They will be reviewed frequently and modified or augmented in the light of experience and the growing capacity of the Centre to identify, administer and finance projects. There will be certain obvious exemptions to the application of these criteria -- projects developed in conjunction with U.N. agencies or other organizations in the field of information sciences, projects that seek to establish the means for co-ordinating international aid and assistance activities among developed countries, and so on. Indeed, the Centre management will use the criteria with a strong dose of common sense." (Paragraph 24 of my statement to the Executive Committee.)

18. I do not intend to repeat the several criteria set forth in my earlier statement. I think it is sufficient to call attention to them with the indication that the senior Officers would welcome any amendments or modifications we might suggest. As approved by this meeting, they will form the basis of an information booklet that will be circulated for the

guidance of persons who wish to approach the Centre seeking support for project proposals. In preparing such a booklet the criteria would be rewritten and re-ordered to accentuate the positive elements the Centre would wish to see in its approved projects.

Guides to Programme Development

19. There are emerging from the programme discussions by the senior Officers of the Centre several patterns which will likely serve in the future as overall guides to programme development. Within the framework of our general concern for the well-being of low-income peoples living in rural areas, the Programme Directors have found that projects with a high component of social science research appear best formulated in close co-operation with research workers and research institutions in the developing countries. Work in the social sciences involve many elements sensitive to considerations of national policy and, therefore, to the fundamental components of national sovereignty.

20. It seems likely that our programme in the social sciences will move with greater deliberation and slowness than programmes in the harder disciplines of the biological and natural sciences. Under our present planning, firm projects resting heavily on social science investigations will emerge only after carefully prepared contacts with potential partners in both the developing and developed nations, contacts established through the workshops, consultancies and travel grants that are part of the project identification and preparation stage of programme formulation. Many steps have already been taken to encourage activities of this kind. From these

our programme staff expects the evolution of several sound projects that will be placed before us at future meetings.

21. In contrast to the social sciences, the biological and natural sciences appear to offer the possibility of moving ahead with greater certainty that the gaps of needed research are more readily identifiable, and the mechanisms for useful address to these needs more easily determined. This does not obviate the importance of making an investment in project identification and preparation roughly equal to that made for work in the social sciences, but it does mean that in the initial stages at least, the preparation of viable projects can be made more pointed with a more purposeful approach to an unambiguous goal. As an aside, I might add that the contrast between the two areas of work can be startling. It can be great enough to leave a false impression that much is being done in the development of hard scientific technologies and little is being devoted to the social implications that underlie the dynamics of development change. Thus far, and despite any superficial impressions to the contrary, the programmes outlined in next year's budget presentation do not suffer from this flaw.

22. In preparing projects relating to the well-being of rural peoples, the Centre programme staff has made strong efforts to involve research workers and research institutions in the developing countries where such an involvement appears useful and productive. However, and especially in the harder sciences, the staff has found cases where the elaborate facilities and skilled personnel available at some Canadian research centres cannot be duplicated in a developing nation. An example of this is the need to approach the Food Research Institute of the Canada

Department of Agriculture, to have its scientists undertake research on the osmotic dehydration for tropical fruit and fish using concentrated solutions of sugar or salt. This is a technique of preservation which, if perfected, would have important implications for the growth of the food processing industries of the tropics. No laboratory with the experience and capacity of the Food Research Institute is available for this work in a developing region. It is likely that we will discover similar needs when our activities in reproductive physiology, the processing of forest products, the finding of improved fishing techniques, etc., are more fully developed.

23. As they move forward with project formulation the Programme Officers are acutely conscious of the need to view their activities as interlocking, embracing the full range of components involved in an activity system. Thus, when a project is prepared for the development of a small fruit and vegetable industry in the Caribbean, the project will include work on the improvement of fruit and vegetable varieties suitable to the Caribbean farming environment which will yield a product that is capable of being handled by modern processing techniques and marketing methods, a product that will hold its quality for the time required for grading, sorting and transporting to export markets (probably by air), and passing through the wholesale and retail channels in countries outside the Caribbean. The Programme Officers do not anticipate that the IDRC will assume responsibility for financing more than a very small portion of the work needed for a project of such scope and magnitude, but they do see the Centre playing a catalytic role in welding a partnership between appropriate Caribbean institutions and governments with centres of horticultural research competence and marketing know-how in Canada

and other developed nations. Similarly, when our Programme Officers discuss projected assistance for research in rural-urban dynamics the discussion embraces the full spectrum of elements that influence the growth and development of urban enclaves in rural areas -- education, health care, local government, public services, environmental quality, employment opportunities, transportation and communication networks, community and social relations, and so on. Again, the Centre's activities will focus on the provision of support for research on the particularly critical components that appear as bottlenecks to the balanced growth of the total system, and on playing a catalytic role that will assure an interdisciplinary melding of the skills required to mount a meaningful and concerted attack on the many dynamic problems of an evolving rural-urban relationship.

24. Our programme staff has given first attention to formulating projects of applied research for development. And they place the stress on the preposition 'for'. In screening project suggestions, they have found it useful to make a clear distinction between research for development and research into or about development; a distinction that is a powerful tool for more sharply defining the content of programme activities. The staff has found a multitude of opportunities open to the Centre to make an effective contribution to finding solutions which, when applied, will open new avenues for economic growth and the social advancement of low-income peoples. Future project proposals will evidence a strong flavour of the search for practical means to effect a development dynamic through the collaborative endeavours of research scientists and technologists throughout the world.

Income Contracts

25. In my introductory remarks I alluded to the offer the Centre has made to the Canadian International Development Agency to act as the executing agent for two Agency projects. Under the purposes and powers granted to this Board by the "International Development Research Centre Act", we may enter into contracts with any party, public or private, to perform whatever actions such contracts may specify. The By-Laws permit me on behalf of the Centre to execute this contractual power. It is under this allocation of responsibility that I have negotiated with CIDA regarding these two projects. There are, however, certain fundamental questions regarding the Centre's acceptance of CIDA or other contracts which should be discussed by us today. I consider it imperative that we reach some resolution on these questions because I anticipate possible future opportunities for the Centre to receive contractual income from various international agencies for specialized services to be rendered by Centre staff members.

26. At the present time I am authorized by Board resolution to disburse monies received by the Centre up to a limit of \$20,000. For expenditures in excess of \$20,000 it is necessary that action be taken by the Executive Committee or the full Board. This delegation of financial powers is prudent for handling resources that come to the Centre through the votes of the Parliament of Canada. However, the arrangement is administratively difficult for the spending of income accruing to the Centre under the terms of a contract. Indeed, there is even some doubt about my legal ability to enter into a contract which imposes upon the Centre payment obligations beyond my Presidential authority.

27. The present CIDA negotiation is a case in point. As negotiations now stand, \$6.5 million will pass through the Centre under a five-year covenant with the Agency. Of this amount, roughly \$5 million would be transmitted by the Centre to CIMMYT and CIAT in accordance with the terms of a memorandum of understanding drawn between the Agency and each recipient. Under our present allocation of financial powers, this money could only be transferred to Mexico and Colombia on the basis of a resolution of the full Board.

28. In addition, the CIDA contract with the Centre will likely ask us to expend \$1.5 million to selected Canadian institutions for specific research work. The selection of the institutions and the research work they are to undertake will be the responsibility of an International Advisory Group formed for each of the two projects. The Centre would be a participating member of each group. Obviously disbursements in excess of \$20,000 recommended by the International Advisory Group will require the Board to be a rubber-stamp body or the Centre management will find itself unable to meet the obligations of its contract with CIDA. The thought is not a pleasant one. I am mollified only by the amused feeling that I could escape such an anomalous situation by taking refuge in the legal uncertainty surrounding my power to have signed the contract with CIDA in the first place.

29. There are, of course, several approaches to this circumstance. A situation, which, quite frankly was not foreseen when the By-Laws were prepared. We could choose to forego the opportunities for contract income and duck the whole question. We could decide that all contracts requiring expenditures in excess of my authority require Board approval before being

signed. This might be a satisfactory legal solution, but it would create an inflexible system that would be cumbersome to administer.

30. Another alternative reviewed by the management would have the Board approve in principle contracts that might be anticipated at the time of a regular meeting. Forecasting is an uncertain process at best, and this procedure was rejected on the grounds that I would seldom ask for more than a proforma agreement that would mock the procedure.

31. After considering these and other alternatives, the management recommends that the Board by resolution, pending a possible future change of the By-Laws, empower me to make such disbursements as are necessary to meet the obligations of a Centre contract up to the limit of the income received by the Centre under the terms of the contract. If the Board approves a resolution to this effect it would remove any legal uncertainty surrounding my ability to enter into an agreement through which the Centre receives money and undertakes a specific obligation to do things with that money. It will also provide the flexibility that our management requires to seek, accept and fulfill contract commitments that bring an income to us.

32. An income from contract sources raises another issue -- how this income is absorbed into the budget framework of the Centre. The Treasurer's statement to our inaugural meeting and the procedure that underlies the budget for 1971-72 assume that income received by the Centre from contract activity will be enfolded into our budget as a part of the revenue statement. Outlays will appear under the appropriate programme head.

There are risks, however, of following this procedure for income and expenditures as large as the one we are discussing now with CIDA. The sum of \$6.5 million for two projects swamps the relatively small project allocations that comprise the budget for the next fiscal year. Our management has reviewed this situation and, while attracted to the administrative advantages of operating with two budgets, (one for grant revenue received from Parliament, interest income, etc., over which the Board would hold full jurisdiction; and one for contract revenue that would be disbursed in accordance with the terms of each contract by Centre management), believes that there are sound reasons for preferring the present practice of incorporating contract activities into a single Centre budget. The resulting budget document will be complicated. Extra columns and line items will be necessary to detail the allocation of receipts and disbursements under each programme heading depending upon the source of income and the authority under which disbursement is made. Our Officers believe, however, that this complication is desirable for it will keep this Board fully informed of the way in which monies flow into and out of Centre programme operations. If it is the pleasure of this Board that future contract revenues be incorporated into a single Centre budget with a clear indication of the separate sources, and outflows of all monies, it will be necessary for the Board to give me by resolution the power to alter the total Centre budget each time I conclude a contract that involves additional revenue to the Centre from an outside agency.

33. I have asked the Secretary to prepare resolutions necessary:
- 1) to give me the disbursing authority to handle income received from contracts; and

2) to give me the authority to recast the budget each time additional revenue is received as a result of a contractual obligation incurred with an outside agency.

34. In arriving at these recommendations our management expressed some concern that if we were too aggressive in our pursuit of outside income, the fundamental character of the Centre might be altered by a growing imbalance between programmes, or by a distortion of our purposes by agencies whose aims differ from the fundamental philosophies of this Board. I share these fears. They remind me somewhat of the fears I spoke of in my statement to our inaugural meeting when I referred to the sensitivities felt in many developing countries toward the often ill-considered availability of money for research. However, I think these fears can be answered best neither by eschewing contract income nor by establishing a cumbersome mechanism for screening its receipt, but through a continued review by this Board at each of its meetings of the source and purpose for which such revenue is received, and by our striving to build at the Centre a balanced competence that will be attractive to donors seeking several different professional capacities. To facilitate this review, I will do everything possible to keep the Board informed of anticipated contracts which may come to fruition in the future. Before entering into contracts that I have not had an opportunity to review with the Board or the Executive Committee, I will make every effort to consult with the Chairman and the Vice-Chairman. All contracts signed by me on behalf of the Centre will be included in the documentation prepared for the next Executive Committee or Board meeting.

Patents

35. Our senior management would welcome a discussion by Board members of their views on Centre policy for allocating patent rights. Several projects are under consideration which may result in marketable patents and our Secretary wishes to include in the project contract an appropriate clause covering the assignment of any rights that might result from work undertaken with our sponsorship.

36. There are many alternatives which could be pursued by the Centre. We could try to capture and hold such rights for our own benefit; a policy that would probably involve us in an administrative and legal nightmare. Or we could take the position that any patent rights which might result from research conducted wholly or partially (and in this determination of this proportion contributes mightily to the welfare of patent lawyers) with our sponsorship accrue to the grantee -- whether institution or person depending upon the terms under which the research worker is employed -- with the proviso that the exploitation of the resultant patent by an institution, agency, public or private business enterprise in a developing country, as defined by the income listing used by the United Nations, will be licenced by the holder of the patent without royalty.

The Appointment of Fellows of the International Development Research Centre

37. Section 12 of the Act empowers the Board to appoint Fellows of the International Development Research Centre "from among persons who in the opinion of the governors have made outstanding contributions in the field of international development".

38. In our inaugural discussions I said I felt that the time was premature to discuss how this power might be used best. Our management is placing before us today a proposal that Centre resources be used to finance a programme of support for Canadian and developing country scholars whom they regard as being more junior in prestige and professional attainment than the candidates who might properly be appointed Fellows of the Centre. Accordingly, I think the time is now at hand when we should begin a consideration of the appointment of Fellows.

39. The earlier documents relating to the formation of the Centre seem to envisage four types of Fellow appointments. In some there is reference to a tenure appointment of a Fellow who would join the Centre as an independent thinker or member of the programme staff with a substantial stipend and vaguely defined responsibilities. The underlying model appears to have been the appointments made to an institution such as the Institute of Advanced Study at Princeton. A second conception of the Fellow is reminiscent of the one to two year appointments that enable scholars to work at the Centre for Behavioural Studies at Palo Alto, California. A third suggestion is that the award of the Fellow might be considered equivalent to an appointment to the Royal Society or the Académie française except that appointments would be made by this Board rather than by the Fellows themselves. A fourth theme pictured the Fellow as roughly equivalent to a corresponding secretary of an academic society, collectively they would communicate with the Centre from points throughout the world. I suppose, there might be mentioned in some document I have not reviewed the possibility of viewing the appointment of a Fellow as an honour approaching in status the prestige that held by a Nobel Prize.

40. Frankly, and after much cogitation, I do not know what to recommend to this Board concerning the best use we can make of the power granted us under the Act. In some respects I would like to retreat to my earlier position that the time is premature. But I feel also that this is a power which, if imaginatively exercised, could be immensely important in promoting the purposes for which the Centre was founded.

41. Discussions by some members of our senior Officers seem to envisage the award of a Fellow to a person who has contributed outstandingly to the field of applied development, whose contribution to development is related closely to the themal concerns of the Centre, and who would be prepared to spend from one to three years continuing his work in development independently of the Centre's activities but in touch with those who are responsible for those activities. It is generally felt that the award should carry a very substantial stipend of the order of \$50,000 to \$75,000 per year, plus additional support for travel and related research and secretarial expenses. It is also generally agreed that the appointments should be for a fixed duration and be non-renewable. It is less generally agreed as to whether the award should ask the Fellow to spend part of his time at Centre headquarters or even in a developing country, or whether the award should leave the recipient completely free to do whatever he wishes. There is little agreement on how a Fellow should be identified and proposed to the Board. And no agreement on the how many and the when of appointments. It is unanimous, however, that the Centre staff wishes to minimize the role they play in the award processes. If the stipend and honour of the appointment is large, the staff feels that it could be subjected to pressures that are better borne by the Board.

42. I do not think this is a matter which must be resolved now or in the immediate future. Nor do I think it is a matter that necessarily requires a single procedure. It is possible that over time the conception of the Fellow will change and we could begin an award practice in the expectation that we would learn from experience and evolve other methods of handling the appointment power. As a personal comment, however, I would have some hesitation in accepting this view because I believe that if the appointment is to carry significant honour and prestige, it must do so from the outset of our exercising the authority to make the award.

43. All I can do on behalf of our senior Officers is to invite discussion. From this discussion and, if asked, our management will try to distill some concrete proposals for the September meeting.

Conclusion

44. This has been a lengthy statement. It touches upon many matters crucial to our programme. I apologize for my loquaciousness but as it is this meeting that will set the course for the next several years of Centre operation, I felt I must raise the points that are critical to traversing that course.